

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In re) Chapter 9
)
CITY OF DETROIT, MICHIGAN) Case No. 13-53846
)
Debtor.) Hon. Steven W. Rhodes

**APPELLANT’S DESIGNATION OF THE CONTENTS
OF THE RECORD AND STATEMENT OF ISSUES ON APPEAL**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), appellants Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (together, “Syncora”) file this designation of the contents of the record and statement of issues regarding Syncora’s April 15, 2014 notice of appeal [Doc. No. 4101], filed pursuant to Bankruptcy Rule 8001 and 28 U.S.C. § 158(a), from this Court’s final order, entered April 2, 2014, authorizing the City of Detroit (the “City”) to enter into postpetition financing pursuant to section 364 of the Bankruptcy Code.

1. DESIGNATION OF THE CONTENTS OF THE RECORD ON APPEAL

(a) Docket Entries from Case No. 13-53846

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
1	8/2/2013	285	Transcript Order Form of Hearing Held August 2, 2013

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
2	8/27/2013	661	Transcript Order Form of Hearing Held August 21, 2013
3	8/29/2013	687	Expedited Transcript Order Form of Hearing Held August 28, 2013
4	9/18/2013	935	The Objectors' Motion in Limine to Preclude Debtor From Offering Evidence Regarding the City's Need to Obtain Casino Revenues in Connection With Its Debtor-in-Possession Financing Efforts
5	9/19/2013	954	The Objectors' Motion to Admit Certain Deposition Testimony of Kevyn Orr and Kenneth Buckfire
6	10/23/2013	1342	Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. for Authority to Issue Document and Deposition Subpoenas to the Debtor, the Emergency Manager, and Certain of the Debtor's Advisors Pursuant to Federal Rule of Bankruptcy Procedure 2004
7	10/24/2013	1367	Amended Notice of the Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. for Authority to Issue Document and Deposition Subpoenas to the Debtor, the Emergency Manager, and Certain of the Debtor's Advisors Pursuant to Federal Rule of Bankruptcy Procedure 2004
8	10/25/2013	1396	Notice of Filing by Detroit City Council of Resolution Regarding the Emergency Manager's Post-Petition Financing Proposal

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
9	11/5/2013	1520	Cover Sheet for Motion to Use Cash Collateral or to Obtain Credit and Motion of the Debtor for a Final Order Pursuant to 11 U.S.C. §§105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
10	11/5/2013	1521	Debtor's Motion Pursuant to Sections 105 and 107(b) of the Bankruptcy Code for an Order Authorizing the Debtor to File Fee Letter Under Seal in Connection With the Debtor's Post-Petition Financing Motion
11	11/7/2013	1568	City of Detroit's Objection to Rule 2004 Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (D.E. 1342)
12	11/11/2013	1640	Motion of the Objectors for Leave to Conduct Limited Discovery in Connection with Motion of the Debtor for a Final Order Pursuant to 11 U.S.C. §§105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
13	11/12/2013	1662	Order Denying Motion of Syncora Under Rule 2004

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
14	11/13/2013	1690	Joinder of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Limited Objection of Financial Guaranty Insurance Company to Debtor's Motion Pursuant to Sections 105 and 107(b) of the Bankruptcy Code for an Order Authorizing the Debtor to File Fee Letter Under Seal in Connection With the Debtor's Post-Petition Financing Motion
15	11/15/2013	1737	Transcript Order Form of Hearing Held November 14, 2013
16	11/15/2013	1741	Order Denying Motion to File Fee Letter Under Seal
17	11/15/2013	1743	Order Regarding Motion of the Objectors for Leave to Conduct Limited Discovery in Connection with Motion of the Debtor for a Final Order
18	11/18/2013	1761	Notice of Filing of Fee Letter in Connection With the Motion of the Debtor For a Final Order Pursuant to 11 U.S.C. §§105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
19	11/19/2013	1775	Syncora Capital Assurance Inc. and Syncora Guarantee Inc.'s Request for the Production of Documents to the City of Detroit

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
20	11/27/2013	1870	Objection of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Motion of the Debtor for a Final Order Pursuant to 11 U.S.C. §§105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
21	12/2/2013	1884	Transcript Order Form of Hearing Held November 27, 2013
22	12/2/2013	1899	Motion of the Objectors to Compel the Production of Privilege Log
23	12/9/2013	1980	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Disclosure of Exhibits in Advance of the Hearing on December 17-19, 2013
24	12/9/2013	1983	Debtor's List of Exhibits for Hearing on the City of Detroit's Assumption Motion [Dkts. 17 and 157] and Motion to Approve Post-Petition Financing [Dkt. 1520]
25	12/10/2013	2023	Omnibus Reply of the Debtor to Objections to Debtor's Motion for Approval of Postpetition Financing
26	12/10/2013	2024	Debtor's Opposition to Objectors' Motion to Admit Certain Deposition Testimony of Kevyn Orr and Kenneth Buckfire

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
27	12/10/2013	2030	Opposition of Debtor the City of Detroit, Michigan to Objectors' Motion in Limine to Preclude Debtor From Offering Evidence Regarding the City's Need to Obtain Casino Revenues in Connection With its Debtor-in-Possession Financing Efforts
28	12/11/2013	2050	Order Denying Motions to Preclude Debtor from Offering Evidence [Dkts. 933 and 935]
29	12/11/2013	2058	Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. to Adjourn Hearing on the Debtor's Assumption Motion [Dkts. 17 and 157] and Motion to Approve Post-Petition Financing [Dkt. 1520]
30	12/12/2013	2082	Debtor's Amended List of Exhibits for Hearing on the City of Detroit's Assumption Motion [Dkts. 17 and 157] and Motion to Approve Post-Petition Financing [Dkt. 1520]
31	12/13/2013	2120	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Amended Disclosure of Exhibits in Advance of the Hearing on December 17-19, 2013
32	12/15/2013	2127	Transcript Order Form of Hearing Held December 13, 2013
33	12/16/2013	2147	Syncora Guarantee Inc. and Syncora Capital Assurance Inc.'s Second Amended Disclosure of Exhibits in Advance of the Hearing on December 17-19, 2013

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
34	12/16/2013	2148	Notice of Revised Proposed Order in Connection With Motion of the Debtor for a Final Order Pursuant to 11 U.S.C. §§105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
35	12/16/2013	2177	Second Notice of Revised Proposed Order in Connection With Motion of the Debtor for a Final Order Pursuant to 11 U.S.C. §§105, 362, 364(c)(1), 364(c)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
36	12/16/2013	2186	Joint Statement of Stipulated Facts
37	12/18/2013	2207	Transcript Order Form of Hearing Held December 17, 2013
38	12/18/2013	2221	Transcript Order Form of Hearing Held December 18, 2013
39	12/27/2013	2333	Expedited Transcript Order Form of Hearing Held December 20, 2013
40	12/31/2013	2353	Third Notice of Revised Proposed Order in Connection With a Final Order Pursuant to 11 U.S.C. §§ 105, 362, 364(C)(1), 364(C)(2), 364(e), 364(f), 503, 507(a)(2), 904, 921, and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
41	1/7/2014	2421	Transcript Order Form of Hearing Held January 3, 2014
42	1/14/2014	2468	Transcript Order Form of Hearing Held January 13, 2014
43	1/16/2014	2493	Transcript Order Form of Hearing Held January 16, 2014
44	1/16/2014	2500	Ex Parte Emergency Motion to (I) Issue a Temporary Administrative Stay of the DIP Order and (II) Set a Briefing and Hearing Schedule
45	1/17/2014	2516	Emergency Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. for Stay Pending Appeal
46	1/17/2014	2518	Ex Parte Emergency Motion for an Order (I) Shortening Notice and Scheduling an Expedited Hearing on the Motion of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. for Stay Pending Appeal and (II) Granting a Temporary Administrative Stay of the DIP Order
47	1/31/2014	2617	Notice of Syncora Guarantee Inc. and Syncora Capital Assurance Inc. Regarding the Postpetition Financing Minute Entry and Associated Notice of Appeal
48	3/6/2014	2921	Notice of Presentment of Final Order Pursuant to 11 U.S.C. §§ 105, 362, 364(C)(1), 364(C)(2), 364(E), 364(F), 503, 507(A)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
49	3/13/2014	3012	Objection to the Notice of Presentment of Final Order Pursuant to 11 U.S.C. § 105, 362, 364(C)(1), 364(C)(2), 364(F), 503, 507(A)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying Automatic Stay
50	3/13/2014	3015	Limited Objection of the Detroit Retirement Systems to Notice of Presentment of Final Order Pursuant to 11 U.S.C. §§ 105, 362, 364(C)(1), 364(C)(2), 364(E), 364(F), 503, 507(A)(2), 904, 921 and 922 (I) Approving Post-Petition Financing, (II) Granting Liens and Providing Superpriority Claim Status and (III) Modifying the Automatic Stay
51	4/2/2014	4249	Expedited Transcript Order Form of Hearing Held April 2, 2014

(b) **Hearing Transcripts from *In re City of Detroit, Mich.*, Case No. 13-53846**

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
52	8/9/2013	316	Transcript Regarding Hearing Held August 2, 2013
53	8/30/2013	685	Transcript Regarding Hearing Held August 21, 2013
54	8/30/2013	693	Transcript Regarding Hearing Held August 28, 2013
55	11/19/2013	1770	Transcript Regarding Hearing Held November

<u>Item #</u>	<u>Date</u>	<u>Docket Number</u>	<u>Document Title</u>
			14, 2013
56	11/28/2013	1875	Transcript Regarding Hearing Held November 27, 2013
57	12/15/2013	2132	Transcript Regarding Hearing Held December 13, 2013
58	12/20/2013	2280	Transcript Regarding Hearing Held December 18, 2013
59	12/23/2013	2299	Transcript Regarding Hearing Held December 17, 2013
60	12/26/2013	2311	Transcript Regarding Hearing Held December 20, 2013
61	1/10/2014	2447	Transcript Regarding Hearing Held January 3, 2014
62	1/17/2014	2512	Transcript Regarding Hearing Held January 13, 2014
63	1/18/2014	2521	Transcript Regarding Hearing Held January 16, 2014 re: Bench Opinion
64	4/2/2014	3772	Transcript Regarding Hearing Held April 2, 2014

2. DESIGNATION OF ISSUES ON APPEAL

- (a) Whether the bankruptcy court erred in granting the City's requested relief based merely on the City's notice of presentment, instead of upon a properly noticed motion pursuant to applicable provisions of the Bankruptcy Code and Bankruptcy Rules.

- (b) Whether the bankruptcy court applied the correct standard of review to the City's postpetition financing transaction under section 364 of the Bankruptcy Code.
- (c) Whether the bankruptcy court erred by finding that the postpetition financing transaction satisfied the requirements of section 364(c) of the Bankruptcy Code.
- (d) Whether section 364(c) and (d) of the Bankruptcy Code permits a debtor-in-possession to rely on its advisors' opinion that unsecured financing was unavailable, and, in the alternative, whether the City's evidence that unsecured financing was unavailable was sufficient.
- (e) Whether the City provided sufficient evidence to sustain a finding of good faith pursuant to section 364(e) of the Bankruptcy Code.

Dated: April 29, 2014

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